

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-01 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-03

SP-02 SS-15 STR-01 TRSE-00 FRB-03 PA-01 USIA-06

PRS-01 NEA-09 /098 W

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R 202021Z FEB 75

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 9985

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E.O. 11652: N/A

TAGS: ENRG, AR

SUBJECT: AMOCO'S PROBLEMS IN ARGENTINA

1. IN RECENT VISIT TO EMBASSY, AMOCO REPS (INCLUDING VISITING US VP) TOLD ME AMOCO NOT RECEIVING REASONABLE PRICE FOR CRUDE OIL PRODUCTION UNDER SERVICE CONTRACT WITH YPF. THEY SAID FUTURE INVESTMENT AND PRODUCTION COULD BE ADVERSELY AFFECTED IF SITUATION NOT RESOLVED QUICKLY.

2. AMCO CURRENTLY RECEIVING \$11.75 PER BARREL (PLUS ADJUSTMENTS). THEY WANT \$16.32 PER BARREL (PLUS ADJUSTMENTS) BUT GOA HAS OFFERED ONLY \$12.39 PER BARREL (PLUS ADJUSTMENTS) WHICH AMOCO SAYS NOT ADEQUATE. AMOCO REPS POINT OUT COMPANY ASKING PRICE NOT AT ALL UNREASONABLE. GOA CURRENTLY PAYING \$100 PER BARREL FOR LIBYAN CRUDE. (WE ARE CHECKING THIS INCREDIBLY HIGH FIGURE.)

3. AMOCO REPS EXPLAINED THEY PLANNED RAISE ISSUE SHORTLY WITH ECONOMY MINISTER GOMEZ MORALES. I OUTLINED TO THEM BBASSY POLICY TO MAKE REPRESENTATION TO GOA ON BEHALF US COMPANIES IN APPROPRIATE CASES, FOLLOWING COMPANY REQUEST AND PRIOR AUTHORIZATION

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WASHINGTON. I ADDED SPECIFICALLY WE PREPARED TO ASSIST AMOCO UNDER

ABOVE CONDITIONS.

4. YESTERDAY AMOCO REPS CALLED TO INFORM EMBASSY RESULTS OF MEETINGS WITH GOMEZ MORALES. THEY SAID MEETING "QUITE SATISFACTORY" IN THAT ECONOMY MINISTER LISTENED CAREFULLY AND AGREED SEEK REASONABLE PRICING FORMULA WITH COLLABORATION ENERGY SECRETARY REVESTIDO. AMOCO REPS ADDED GOMEZ MORALES TOOK CAREFUL NOTE OTHER PROBLEMS RAISED BY AMOCO.

5. AMOCO REPS EMPHASIZED SOME PROGRESS MADE BUT NO SETTLEMENT AS YET. THEY EXPLAINED THEY NOT REQUESTING EMBASSY INTERVENTION AT THIS TIME BUT WISHED KEEP US INFORMED.  
HILL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM PRODUCTION, BARRELS (CONTAINERS), PRICE DATA, MEETING REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 FEB 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** woolflhd  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
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**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** woolflhd  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 03 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <03 SEP 2003 by CunninFX>; APPROVED <19 DEC 2003 by woolflhd>  
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Margaret P. Grafeld  
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EO Systematic Review  
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**Review Referrals:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** AMOCO'S PROBLEMS IN ARGENTINA  
**TAGS:** ENRG, AR, AMOCO  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006